

Summary of 2003 Performance Incentives

	Program/Initiative	Program Budget	Design Goal	Incentive Dollars
	Residential Programs:			
1	ENERGY STAR Clock Thermostat Rebate	\$185,966	2500 Rebates	\$4,406
2	ENERGY STAR Homes	\$196,041	486 Certifications	\$4,645
3	High Efficiency Heating Rebate	\$521,866	1672 Rebates	\$12,365
4	High Efficiency Water Heating Rebate	\$189,890	825 Rebates	\$4,499
5	Weatherization Program	\$413,008	315 Participants	\$9,786
6	Massachusetts Building Code Support	\$59,525	Support the BBRS in its outreach and training efforts	\$1,410
7	Market Transformation	\$270,348	Develop/Implement marketing activities and contractor trainings that promote industry partnerships and market transformation.	\$6,406
	Low-Income Programs:			
8	Residential Low-Income Single-Family	\$721,953	235 Participants	\$17,106
9	C&I Low-Income Multi-Family	\$484,552	157 Participants	\$11,481
	Commercial & Industrial Programs:			
10	Custom	\$553,024	18 Projects	\$13,103
11	Infrared Rebate	\$104,145	80 Rebates	\$2,468
12	High Efficiency Heating Rebate	\$108,124	132 Rebates	\$2,562
13	High Efficiency Water Heating Rebate	\$30,428	50 Rebates	\$721
14	Massachusetts Building Code Support	\$64,881	Support the BBRS in its outreach and training efforts	\$1,537
15	Market Transformation	\$206,754	Work with manufacturers/distributors to develop and implement a high efficiency foodservice pilot (deep fryer)	\$4,899

If the Company achieves less than 75% of goal (the Threshold Performance Level), it will receive no incentive for that program.

If the Company achieves 100% of goal (the Design Performance Level), it will receive 100% of the incentive for that program.

If the Company achieves 125% of goal (the Exemplary Performance Level), it will receive 125% of the incentive for that program.

Between 75% and 125% of goal, the incentive will be based on a linear interpolation between the Threshold and Exemplary Performance Levels.

For Non-numeric goals there are no thresholds, company must meet design goal.

After Tax Shareholder Incentive = Average Yield of three-month Treasury Bill/(.60775)x Energy Efficiency Budget)⁽¹⁾

(1) Average Yield of the three-month U.S. T-Bill assumed to be 1.44%

and .60775 = 1 minus the effective corporate tax rate.

